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**FEDERAL COMMUNICATIONS COMMISSION  
OFFICE OF THE SECRETARY**

**Before the  
FEDERAL COMMUNICATIONS COMMISSION  
Washington, DC 20554**

In the Matter of )

Truth-in Billing )

and )

Billing Format )

CC Docket No. 98-170

**Reply Comments of the  
Rural Utilities Service**

The Rural Utilities Service (RUS), a rural development agency of the United States Department of Agriculture, actively supports and promotes the universal availability of a broad range of telecommunications and information services in rural America.

In its role of advocate for rural America, the RUS has been an early supporter of a truth-in-billing initiative.<sup>1</sup> The opening of telecommunications markets to competition brings a tremendous opportunity for all Americans to select the precise services they need. However, for any marketplace to function efficiently, customers must have reliable information so that they can make informed choices.

To ensure that customers have this information, all telecommunications providers should be required to disclose basic information in a uniform, easy to read and understand manner. Among the types of disclosure needed are:

- The types of service for which the customer is billed. Each service should be described.
- The price of each service, including terms and conditions. Changes (especially rate increases) should be disclosed to customers at least 30 days before their effective date.
- How to obtain information. Consumers should be provided a toll-free number where they can obtain information about services and rates, including whether they are getting the best rate from the provider.

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Assuming consistency with Federal and State telecommunications laws, service providers *should* have the freedom to set retail rates in a competitive marketplace, *but* those rates should be fully and truthfully disclosed to customers both prior to subscription, in promotions and advertising, and after subscription, on monthly bills. Virtually every telecommunications service can be distilled into monthly, usage, percentage charges, discounts, and premium offers. Armed with this information, consumers can make informed choices in the marketplace. Attached as an exhibit to this filing is a sample rate disclosure illustrating the types of information necessary for "truth-in-billing."

#### "Line Items" for Universal Service

The RUS is especially concerned about efforts by some carriers to describe universal service support obligations as new line item charges. While it is true that the Telecommunications Act of 1996 requires that "(e)very telecommunications carrier that provides interstate telecommunications services shall contribute, on an equitable and nondiscriminatory basis, to the specific, predictable, and sufficient mechanisms established by the Commission to preserve and advance universal service," this is not a new obligation.

Universal service support assessments are not taxes or subsidies but are a means of sharing network costs, *costs which have been shared in one way or another since the concept of universal service was established under law in the Communications Act of 1934*. Under the Bell Monopoly, the costs were shared primarily within the Bell system and as such, were largely unknown to consumers. When long distance services were deregulated in 1983, a system of support was developed which involved access charges, toll settlements, separations, and a high cost fund, again, largely unknown to consumers. In a competitive market, a new method must be developed to ensure this long-term national goal.

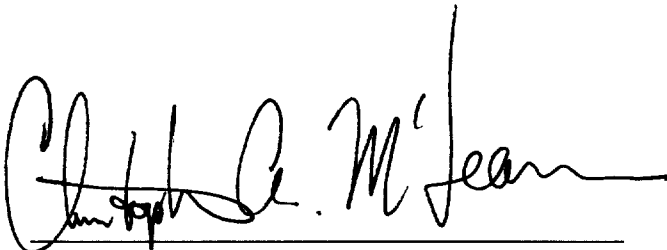
Thus, it is inaccurate to describe this support as a tax, fee, surcharge, or subsidy. It is simply a cost of doing business in a competitive environment. Efforts to break out new line items as universal service fees or taxes are misleading to consumers, particularly since none of the other costs of business, such as advertising, stock options, or salaries, are highlighted in this manner. The few words used on a bill to describe the universal service line item do not convey the value of the universal service principle which has been the centerpiece of United States telecommunications policy since the 1930s.

A separate line item charge for universal service may disguise a rate increase, or allow a carrier to advertise an apparently low per-minute rate, a rate which doesn't actually exist once the line item is added to the bill. Customers should be able to expect that the advertised rate is the rate that they will pay.

Conclusion

The RUS appreciates the opportunity to comment, applauds the Commission for taking up this truth-in-billing initiative, and urges the Commission to adopt rules which will give consumers sufficient information to easily compare rates and services in a competitive marketplace.

Dated: November 25, 1998

A handwritten signature in black ink, reading "Christopher A. McLean". The signature is fluid and cursive, with a horizontal line drawn underneath it.

CHRISTOPHER A. McLEAN  
Deputy Administrator  
Rural Utilities Service

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1. February 26, 1998, testimony of Christopher McLean to House Judiciary Subcommittee for Commercial and Administrative Law; June 10, 1998, letter to Office of the Secretary, Federal Communications Commission, covering *ex-parte* discussion of June 9, 1998 with Chairman Kennard, Commissioners Furchtgott-Roth, Ness, and Tristiani, Commission staff, and Mr. Christopher McLean; July 23, 1998, testimony of Christopher McLean to House Judiciary Subcommittee for Commercial and Administrative Law.

# JUST, REASONABLE, AND AFFORDABLE COMMUNICATIONS COMPANY

**Billing Period:** August 7 thru September 6, 1999

**Service Plan:** *Best Bargain™* Calling Plan

## Rates for *Best Bargain™* Calling Plan

| Monthly Fixed Charge  | Usage Charges<br>(per minute or part of minute)  |                                   |        |
|---|--|-----------------------------------|--------|
| \$3.95  | <u>From Home Phone</u>   | Monday-Friday                     | \$0.10 |
|   |  | Saturday and Sunday               | \$0.05 |
|   |  | Operator assisted calls           | \$0.35 |
|   | <u>Credit Card Calls</u>   | Everyday                          | \$0.35 |
|   |  | (& \$0.35 per call from payphone) |        |
| Additional Charges  | Rate Changes and Special Announcements   |                                   |        |
| none  | Effective January 1, 2000, calls made from your home phone Mon-Fri will be reduced by 5%. to \$09.5/minute   |                                   |        |
| Discounts   | Premiums and Rebates   |                                   |        |
| 2% of entire bill<br>(for J, R, & A Personal Communications Service subscribers). | One Frequent Flyer mile for every minute of calls placed from your home phone. Your miles are credited to <b>Great Plains Airlines</b> - <i>Great Planes to the Great Plains</i> . One percent of the monthly billing of your J, R, & A Master Card Account is applied against this bill as a rebate ( not to exceed the net amount of this bill). |                                   |        |

J, R, & A offer several other calling plans including *Better Bargain™*, *Better Than Best Bargain™*, *True Best Bargain™*, and *Beyond Better Than Best Bargain™*. If you have questions about your calling plan, or any other aspect of your service, call 1-800-BARGAIN.